

**REQUEST FOR WAIVER  
INVESTMENT IN FIXED ASSETS IN EXCESS  
OF FIVE PERCENT OF SHARES AND RETAINED EARNINGS**

1. Federal credit unions (FCUs) are urged to document the need for and feasibility of any substantial investment in fixed assets. FCUs with \$1,000,000 or more in assets are required to seek NCUA approval on investments in fixed assets which would cause the aggregate investment in fixed assets to exceed five percent of Shares and Retained Earnings. Requests for waivers to invest in fixed assets in excess of five percent of Shares and Retained Earnings may be submitted in whatever format the credit union may desire, provided that the information requested in Part 701.36(c)(2) is included.
2. The following format and forms are provided as guidelines for documenting the need for and the feasibility of any substantial investment in fixed assets and may be used in support of requests for waivers of the five percent of Shares and Retained Earnings limitation.
  - a. Provide a narrative, describing the proposal in terms of costs, usage, location, and method of financing. A proposed time table for the project should be included.
  - b. Provide a brief narrative on the local economic factors which affect or may affect the credit union.
  - c. List the assumptions used in making projections and provide supporting data where appropriate.
  - d. Attach a copy of the credit union's most recent month-end financial and statistical reports.
  - e. Prepare and attach projected balance sheets and statement of income and expenses for each of the ensuing five years.
  - f. Detailed instructions for the forms are attached.
3. Determine whether a waiver is required from NCUA for the proposed investment as follows:
  - a. If the credit union has previously received and has outstanding a waiver of the five percent of shares and Retained Earnings limitation, **GO TO NCUA 2601, Section II.**
  - b. If the credit union has not previously received a waiver of the five percent of shares and Retained Earnings limitation, **GO TO NCUA 2601, Section I.**

### DETAILED INSTRUCTIONS FOR COMPLETING NCUA 2601-1

ITEM #	SECTION I
1,2,3,4.	The amounts shown in these items should be the net book value for present investments; that is, the cost less accumulated depreciation.
5.	This should represent the sum of future lease payments for the life of any lease. All leases pertaining to fixed assets should be included except contracts having an original life of one year or less.
6.	This field should contain the sum total of all investments in or loans to organizations that hold title to any fixed assets used by the FCU.
8.	This field should contain the dollar amount of total shares and retained earnings at the close of the month immediately preceding the months in which this form is prepared.

ITEM #	SECTION II
1. a,b & c	If a waiver of the five percent of assets limitation on investments in fixed assets was previously requested and granted, enter the date of the request, the assets as of that date, and the dollar amount of the investment approved at that time.
2,3,4,5.	The amount in these items should be the actual cost of fixed asset acquisitions which were made subsequent to the approved investments in items 1.
6.	This should represent the sum of future lease payments for the life of any lease made or renewed subsequent to the investments approved in item 1, except leases having an original life of one year or less.
7.	This field should contain the sum total of all investments in, or loans to, organizations that hold title to any fixed assets used by the FCU.

### DETAILED INSTRUCTIONS FOR COMPLETING NCUA 2601-2

ITEM #	
	The values shown in column “A” should be the appropriate values for the current calendar year and be based upon the credit union’s projections. The values in columns “B”, “C”, “D” and “E” should be the projected values for the following four calendar years.
13.	All assets not included in items 1 through 12.
16.	Notes payable and any accrued interest due must be segregated into long- and short-term payables. Those notes (and interest) due within one year shall be reported separately from the notes and interest payments due in excess of one year.
17.	This field should contain the amount of accrued dividends payable on share accounts or share certificate accounts where the dividend rate has been “specified” or “contracted for.” Also, included will be the dollar amount of declared dividends which have yet to be paid for all share accounts and share certificate accounts.
18.	This field should contain the accrued portion of any interest refund which is anticipated to be paid.
19.	This field should include the total of all other liabilities which are not included in the preceding accounts.
20.	Shares, except for the public unit and retirement account, should be segregated into accounts of \$5,000 and over and those under \$5,000. If these values are not readily available, the accounts to be included in each of the categories may be determined by use of sampling techniques.

### DETAILED INSTRUCTIONS FOR COMPLETING NCUA 2601-3

ITEM #	
	The values shown in column “A” should be the appropriate values for the current calendar year and be based upon the credit union’s projections. The values in columns “B”, “C”, “D” and “E” should be the projected values for the following four calendar years.
6.	The rate and dollar amount of dividends paid at that rate should be specified on a quarterly basis. If several different dividend rates are or will be paid, a separate entry should be made for each rate in each quarter.

**SECTION I**  
**INVESTMENT IN FIXED ASSETS**  
**WAIVER OF FIVE PERCENT LIMIT**

\_\_\_\_\_  
 \_\_\_\_\_FCU  
 \_\_\_\_\_  
 \_\_\_\_\_

Charter No. \_\_\_\_\_

Date: \_\_\_\_\_

	A. Present Investment *	B. Proposed Investment	C. Total (Sum of A & B)
1. Land & Building (Net)	_____	_____	_____
2. Furniture fixtures & Equip. (Net)	_____	_____	_____
3. Computer (Net)	_____	_____	_____
4. Leasehold Improvements (Net)	_____	_____	_____
5. Aggregate of Lease Payments	_____	_____	_____
6. Part 701.36(b)(4)(iv) Invest. & Loans	_____	_____	_____
7. Total Investments. In Fixed Assets (1+2+3+4+5+6)	_____	_____	_____
8. Total Shares & Retained Earnings at Req. Date	_____		
9. Ratio of Fixed Assets to Shares & Retained Earnings (7 divided by 8)	_____	_____	_____

If 9C is less than 0.05, then NCUA approval is not required for the proposed investment.

If 9C is greater than 0.05, then NCUA approval is required for the proposed investment.

\* As of the month-end preceding the date this form is prepared.

**SECTION II**  
**INVESTMENT IN FIXED ASSETS**  
**WAIVER OF FIVE PERCENT LIMIT**

\_\_\_\_\_  
 \_\_\_\_\_FCU  
 \_\_\_\_\_  
 \_\_\_\_\_

Charter No. \_\_\_\_\_

Date: \_\_\_\_\_

1. Previously approved investment in fixed assets (FA):
  - a. Date of Request: \_\_\_\_/\_\_\_\_/\_\_\_\_
  - b. Shares & Retained Earnings at that time: \_\_\_\_\_
  - c. Fixed assets at that time: \_\_\_\_\_

	A. Subsequent FA Investment *	B. Proposed FA Investment	C. Total (Sum of A & B)
2. Land & Building (Cost)	_____	_____	_____
3. Furniture fixtures & Equip. (Cost)	_____	_____	_____
4. Computer (Cost)	_____	_____	_____
5. Leasehold Improvements (Cost)	_____	_____	_____
6. Aggregate of Lease Payments	_____	_____	_____
7. Part 701.36(b)(4)(iv) Invest. & Loans	_____	_____	_____
8. Total Investments. In Fixed Assets (2+3+4+5+6+7)	_____	_____	_____
9. Ratio of Fixed Assets to Shares & Retained Earnings (8 divided by 1b)	_____	_____	_____

If 9C is less than 0.05, then NCUA approval is not required for the proposed investment.

If 9C is greater than 0.05, then NCUA approval is required for the proposed investment.

\_\_\_\_\_FCU

**BALANCE SHEET**

Date: \_\_\_\_\_

	A. Dec. 31, _____	B. Dec. 31, _____	C. Dec. 31, _____	D. Dec. 31, _____	E. Dec. 31, _____
1. Real Estate Loans	_____	_____	_____	_____	_____
2. Loans to Members (other than RE)	_____	_____	_____	_____	_____
3. All Other Loans	_____	_____	_____	_____	_____
4. Less Allowance for Loan Losses	_____	_____	_____	_____	_____
5. Net Loans Outstanding	_____	_____	_____	_____	_____
6. Cash	_____	_____	_____	_____	_____
7. Savings (deposits, CDs, etc.)	_____	_____	_____	_____	_____
8. Other Investments	_____	_____	_____	_____	_____
a. Maturing in Less than 1 yr.	_____	_____	_____	_____	_____
b. Maturing in 1 year or more	_____	_____	_____	_____	_____
9. Less Allow for Losses on Investment	_____	_____	_____	_____	_____
10. Net Investments	_____	_____	_____	_____	_____
11. Land and Building (Net of Depr.)	_____	_____	_____	_____	_____
12. Other Fixed Assets (Net of Depr.)	_____	_____	_____	_____	_____
13. All Other Assets	_____	_____	_____	_____	_____
14. Total Assets	_____	_____	_____	_____	_____
15. Accounts Payable	_____	_____	_____	_____	_____
16. Notes and Interest Payable	_____	_____	_____	_____	_____
a. Due within 1 yr.	_____	_____	_____	_____	_____
b. Due in excess in 1 yr.	_____	_____	_____	_____	_____
c. Total Notes and Interest Payable	_____	_____	_____	_____	_____
17. Dividends Payable	_____	_____	_____	_____	_____
18. Interest Refunds Payable	_____	_____	_____	_____	_____
19. All Other Liabilities	_____	_____	_____	_____	_____
20. Shares	_____	_____	_____	_____	_____
a. Public Unit Accounts	_____	_____	_____	_____	_____
b. Share Certificates (under \$5,000)	_____	_____	_____	_____	_____
c. Share Certificates (\$5,000 & over)	_____	_____	_____	_____	_____
d. Retirements Accounts	_____	_____	_____	_____	_____
e. Other Shares (under \$5,000)	_____	_____	_____	_____	_____
f. Other Shares (\$5,000 & over)	_____	_____	_____	_____	_____
g. Total Shares (a+b+c+d+e+f)	_____	_____	_____	_____	_____
21. Regular Reserve	_____	_____	_____	_____	_____
22. Special Reserves for Losses	_____	_____	_____	_____	_____
23. Reserve for Contingencies	_____	_____	_____	_____	_____
24. Undivided Earnings	_____	_____	_____	_____	_____
25. Donated Equity	_____	_____	_____	_____	_____
26. Total Liabilities and Equity	_____	_____	_____	_____	_____

\_\_\_\_\_FCU

# STATEMENT OF INCOME

Date: \_\_\_\_\_

	A. Dec. 31, _____	B. Dec. 31, _____	C. Dec. 31, _____	D. Dec. 31, _____	E. Dec. 31, _____
<b>1. Income</b>					
a. Interest on Loans	_____	_____	_____	_____	_____
b. Less Interest Refund	_____	_____	_____	_____	_____
c. Income from Investments	_____	_____	_____	_____	_____
d. All Other Income	_____	_____	_____	_____	_____
e. Total Gross Income	_____	_____	_____	_____	_____
<b>2. Expenses</b>					
a. Employee Compensation	_____	_____	_____	_____	_____
b. Employee Benefits	_____	_____	_____	_____	_____
c. Travel & Conference Expense	_____	_____	_____	_____	_____
d. Office Occupancy	_____	_____	_____	_____	_____
e. Office Operations	_____	_____	_____	_____	_____
f. Professional & Outside Services	_____	_____	_____	_____	_____
g. Provision for Loan Losses	_____	_____	_____	_____	_____
h. Interest on Borrowed Money	_____	_____	_____	_____	_____
i. All Other Operation Expenses	_____	_____	_____	_____	_____
j. All Other Non-operating Expenses	_____	_____	_____	_____	_____
k. Total Expenses Before Dividends	_____	_____	_____	_____	_____
<b>3. Net Income Before Dividends (1e-2k)</b>	_____	_____	_____	_____	_____
<b>4. Allocation of Net Income</b>					
a. Dividend Expense	_____	_____	_____	_____	_____
b. To Regular Reserve	_____	_____	_____	_____	_____
c. To Undivided Earnings	_____	_____	_____	_____	_____
d. Total Allocation of Net Inc (4a+b+c)	_____	_____	_____	_____	_____
<b>5. Selected Ratios</b>					
a. Office Occup Exp/gross Inc. (2d/1e)	_____	_____	_____	_____	_____
b. Total Exp/Gross Inc. (2k/1e)	_____	_____	_____	_____	_____
c. Int on Borrowed Money/Gross Inc. (2h/1e)	_____	_____	_____	_____	_____
d. Interest Refund/Gross Inc. (1b/1e)	_____	_____	_____	_____	_____
<b>6. Dividends (Rate - Amount)</b>					
a. First Quarter	_____	_____	_____	_____	_____
b. Second Quarter	_____	_____	_____	_____	_____
c. Third Quarter	_____	_____	_____	_____	_____
d. Fourth Quarter	_____	_____	_____	_____	_____